

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK

-----X

THE ESTATE OF YARON UNGAR by and through its
Administrator, DAVID STRACHMAN; DVIR UNGAR,
minor, by his guardians and next friends, YISHAI UNGAR,
minor, by his guardians and next friends, PROFESSOR
MEIR UNGAR, JUDITH UNGAR, individually and in
their capacity as legal guardians of Petitioners DVIR
UNGAR and YISHAI UNGAR; RABBI URI DASBERG,
JUDITH DASBERG, in their capacity as legal guardians of
Petitioners DVIR UNGAR and YISHAI UNGAR;
AMICHAI UNGAR, DAFNA UNGAR
and MICHAL COHEN,

Index No: 102101 / 06

Plaintiffs,
-against-
**AFFIDAVIT OF
DR. JACQUES NERIAH**

THE PALESTINIAN AUTHORITY (a/k/a "The
Palestinian National Authority") (d/b/a "Palestinian Pension
Fund of the State Administrative Employees" and/or
"Palestinian Pension Fund for the State Administrative
Employees of the Gaza Strip"), and THE INSURANCE
AND PENSION FUND

Defendants.

-----X

I, Dr. Jacques Neriah of Tel Aviv, Israel, bearer of Israeli identification no. 012058095, after
being cautioned to testify truthfully and that failure to do so will subject me to the penalties for
perjury under the laws of the State of Israel and the State of New York, hereby declare as follows:

A. Personal, Academic and Professional Background

1. I was born in Lebanon in 1951 and immigrated to Israel in 1968.
2. From 1971 until 1992, I served in the Intelligence Corps of the Israel Defense Forces ("IDF").
3. Between 1987 and 1990 I served as defense attaché at the Israeli embassies in Paris and Brussels.
4. In 1990 I was appointed Chief Analyst of the IDF Intelligence Corps. I received an award from the United States Department of Defense for the role fulfilled by me during Operation Desert Shield as Chief Analyst of the IDF Intelligence Corps.
5. I retired from the IDF in 1992 with the rank of Colonel.
6. I received a B.A. in Middle Eastern Studies from Hebrew University in 1971, and an M.A. (1976) and a Ph.D. (1987) in Middle Eastern Studies from Tel Aviv University.
7. In 1979, I participated in the Camp David peace conference between Egypt and Israel, and accompanied late Prime Minister Menachem Begin on his first official visit to Egypt as his personal translator.
8. I was also a member of the Israeli delegation to the Madrid Conference (1991) that negotiated with the Syrians, Jordanians and Palestinians.
9. I have also served as an advisor to the late Prime Minister Yitzhak Rabin, and as the special envoy of Messrs. Rabin and Peres to the Palestinian leadership.
10. I am co-author of the book The Day Sadat Was Shot (Hebrew and Arabic), Maariv Publishing House (1983), and I have published various articles in the Middle East Yearbook and in the Israeli daily Yediot Aharonot.
11. I am fluent in Arabic, English, Hebrew, French and Spanish.

12. I am currently a private businessman and a professional sculptor, and also I serve as the Chairman of the Israel Humanitarian Foundation, an egalitarian omnibus charity organization founded by the late U.S. Supreme Court Justice Arthur Goldberg.

B. My Involvement With the Palestinian Authority

13. In mid-1994 I was contacted by a Lebanese named Pierre Rizk, who maintained close ties with Yasser Arafat, the late president of the Palestinian Authority ("PA") and chairman of the Palestine Liberation Organization ("PLO") and his wife Suha.

14. Rizk informed me that the Israeli government would soon transfer funds in excess of \$100 million to the Palestinian Authority, and that Mr. Tarifi, a Palestinian negotiator with Israel (who became a minister in the first cabinet to be formed by Arafat), had asked him (Rizk) to locate an Israeli bank to assist with the investment and management of these funds until they are transferred abroad.

15. Rizk asked me if I could help in finding such a bank.

16. Upon checking with senior officials in the Israeli government I learned that the proposal was legitimate, and that these funds were being transferred by Israel to the Palestinian Authority pursuant to paragraph 16 of the Protocol Concerning Civil Affairs (Annex II) of the Agreement on the Gaza Strip and the Jericho Area of May 4, 1994 (hereinafter: "Gaza-Jericho Agreement").

17. Accordingly, I accepted the proposal and I was hired by the Israeli bank to serve as a liaison with the PA regarding the deposit of the funds being transferred by Israel to the Palestinian Authority pursuant to paragraph 16 of the Protocol Concerning Civil Affairs (Annex II) of the Gaza- Jericho Agreement (hereinafter: the "Transferred Money").

18. Soon after, I began to meet with Yasser Arafat and the Palestinian Authority's Minister of Justice, Freih Abu Middain, to discuss the Transferred Money. During the time I was involved with the Transferred Money, I met with Arafat to discuss the Transferred Money on several occasions. During this same period, I met with or spoke to Mr. Abu Middain about the Transferred Money on many occasions. My discussions with Mr. Abu Middain took place in person in various locales, and by telephone.

19. I personally assisted the PA to arrange for the opening of the account at the Euro Trade Bank into which the Transferred Money was transferred by Israel, as well as the account at Credit Suisse Private Banking into which the PA subsequently transferred the Transferred Money.

20. I was also involved in the selection of Belesta Asset Management to manage the Transferred Money, and served as interlocutor as needed between the PA and Belesta, as reflected in the letters from Belesta to Mohamed Rachid dated November 27 and 28, 1997, copies of which are marked as SSL 012515 and 012541 (Exhibit 50).

21. I remained involved with assisting the PA in regard to the Transferred Money until late 1997, when the PA's economic advisor Mohammad Rachid put an end to Belesta's involvement (and my own) with the Transferred Money.

C. The Transferred Money Is Owned by the Palestinian Authority

22. The Transferred Money is owned by the Palestinian Authority. I make this statement based on the following facts known to me personally:

23. Yasser Arafat and Freih Abu Middain, respectively the President and the Justice Minister of the Palestinian Authority, both personally informed me, on several occasions, that the Transferred Money is owned by the Palestinian Authority.

24. Messrs. Arafat and Abu Middain also personally informed me that no pension payments would ever be made out of the Transferred Money, and that payments of pensions to the former employees of the Israeli Civil Administration (pursuant to the PA's obligations under section 16 of the Protocol Concerning Civil Affairs (Annex II) of the Gaza-Jericho Agreement) would be made out of the Palestinian Authority's current budget, or from other sources.

D. Attempts by the Insurance and Pension Fund to Gain Control Over the Funds

25. Since its inception, the Palestinian Authority has been wracked by internal disputes and in-fighting over power and money.

26. After it became known that over \$100 million was being transferred to the Palestinian Authority by Israel – i.e. the Transferred Money – various elements within the Palestinian Authority and PLO bureaucracy began jockeying to gain control of these funds.

27. I am informed that the Insurance and Pension Fund ("IPF") claims to own the Transferred Money, and has generated documents referring to the Gaza-Jericho Money as belonging to the IPF and listing the Transferred Money on the IPF's books.

28. While such conduct by the IPF might appear shocking or extraordinary to persons accustomed to good governance, in fact internal power-plays of this sort and efforts to create a *fait accompli* in this manner are, unfortunately, commonplace within the Palestinian Authority.

29. I am informed that the IPF claims that the name "Pension Fund of the State Administrative Employees" or "Palestinian Pension Fund of the State Administrative Employees in Gaza" (which appears on various documents relating to the Transferred Money) is a synonym for and a mistranslation of the name "Insurance and Pension Fund." This claim is incorrect.

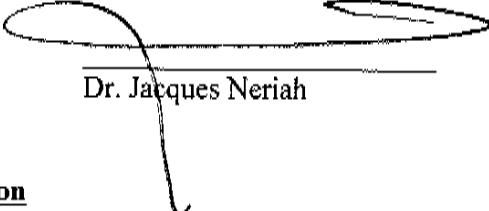
30. First, the Transferred Money was never referred to by the PA using the name "Insurance and Pension Fund" or any other name containing the word "Insurance." In all my

dealings with the PA regarding the Transferred Money I did not see a single document in Arabic, Hebrew or English referring to the Insurance and Pension Fund, nor did I hear from Arafat, Abu Middain or anyone else anything about the existence of the Insurance and Pension Fund.

31. Second, as a matter of simple empirical fact the name “Pension Fund of the State Administrative Employees” (or “Palestinian Pension Fund of the State Administrative Employees in Gaza”) is a “doing-business-as” name used to designate the Transferred Money and has nothing whatsoever to do with the IPF.

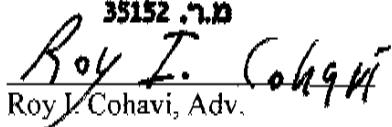
32. Third, the names “Insurance and Pension Fund” and “Pension Fund for the State Administrative Employees” are as dissimilar in Arabic (and Hebrew) and they are in English. As a person fluent in Arabic, English and Hebrew I find the IPF’s mistranslation claim incredible. Anyone making such a claim is either not familiar with the relevant languages or is intentionally seeking to mislead.

Date: May 21, 2007


Dr. Jacques Neriah

Certification

I, attorney Roy I. Cohavi, Adv., Israeli Bar no. 35152 hereby certify that on May 21, 2007, Dr. Jacques Neriah, bearer of Israeli identification no. 012058095, whom I identified by his Israeli picture identification card bearing that number, appeared before me and signed the affidavit above after I cautioned him to testify truthfully and that failure to do so will subject him to the penalties for perjury under the laws of the State of Israel and the State of New York.

רוי כהאי, נו"ז
35152

Roy I. Cohavi, Adv.